



CITY OF MEDINA

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Date: July 14th, 2025
To: Honorable Mayor and City Council
Via: Jeff Swanson, Interim City Manager
From: Ryan Wagner, Finance & HR Director
Subject: 2025 June and Mid-Year Financial Report

The 2025 report includes:

- June Key Revenue and Expenditures:
 - Potential 2025 Budget Amendment Items
 - June Cash Statement
 - June Financial Summary
 - Mid-Year Financial Summary
 - June Financials by BARS account
 - June 2025 AP Check Register Activity Detail
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June Key Revenue

- \$165K Local Sales and Use Tax
- \$58K Building Permit Revenue
- \$47K Investment Earnings
- \$38K Property Taxes
- \$19K REET – Retail Excise Tax (May Sales)
- \$15K Utility and Franchise Fees/Taxes

June Key Expenditures

- \$50K Inslee Best – May Attorney Services
- \$30K City of Bellevue – HTF Fire Fee
- \$23K Dapper Plumbing – Police Vehicle Electrical Charging Station
- \$21K LDC Consultants – May Current Planning
- \$19K Exigy Consulting – City Manager Consulting Services June
- \$8K GMP Consultants – City Manager Recruitment

2025 Potential Budget Amendment Items

1) City Manager Recruitment - \$25K For GMP

In January of this year, City Manager Burns announced his retirement after over 10 years working for the City of Medina. The City has signed a contract with the recruiting firm GMP Consultants, totaling \$19,500. With advertising, background and travel costs, the total expense was \$25,156.13. An additional \$27,657.50 has been spent through June to our City Attorney's office for the recruitment process.

2) City Manager Cashout - \$46K

Per Medina policy, found within the Employee Handbook, the City Manager was cashed out all unused vacation time upon departure. After 10 years of service with the City, the City Manager was also eligible for a cashout of 25% of all accrued sick time up to 180 hours.

3) Teamsters CBA Contract - \$25K Estimate

The Teamsters collective bargaining agreements for the Clerical and Public Works Unions were approved by the Council during the March 10th meeting. The estimated cost increase over the 2025 budget is \$25K. While the negotiated increase to salary and longevity are set, the "estimate" comes from potential budget impacts to overtime and on call rates.

4) Critical Area Review - \$100K Estimate

2025 Cash Position and Investment Summary

<u>2025 Cash Balance, 5/31/2025</u>		<u>2025 Cash Balance, 6/30/2025</u>	
<u>TOTAL CASH & INVESTMENTS</u>		<u>TOTAL CASH & INVESTMENTS</u>	
Period Ending: 5/31/25		Period Ending: 6/30/2025	
WA ST INV POOL	\$ 11,106,895	WA ST INV POOL	\$ 11,334,147
OTHER INVESTMENTS*	4,790,922	OTHER INVESTMENTS*	4,790,922
CHECKING	1,142,657	CHECKING	510,420
	\$ 17,040,474		\$ 16,635,489
		Outstanding Checks	\$103,104
			<u>\$ 16,532,385</u>

\$1M bond (Dec 2024)
5/15/2028
\$500K bond (June 2022)
12/31/2025
\$1.15M bond (Jan 2023)
6/30/2026
\$500K bond (May 2025)
3/1/2029
\$1M bond (Aug 2024)
7/8/2027
\$1M bond (Nov 2024)
11/15/2027

June 2025 Financial Summary

REVENUES:	JUN ACTUAL	YTD ACTUAL	2025 ANNUAL BUDGET	% of Budget Total	REMAINING BUDGET
General Fund					
Property Tax	\$37,663	\$2,568,725	\$4,608,359	55.74%	\$2,039,634
Sales Tax	\$164,631	\$911,908	\$1,964,450	46.42%	\$1,052,542
Affordable & Sup. Housing	\$0	\$91	\$0	—	(\$91)
Criminal Justice	\$8,245	\$50,634	\$111,099	45.58%	\$60,465
B & O Tax: Utility & Franchise Fee	\$15,354	\$612,428	\$978,219	62.61%	\$365,791
Leasehold Excise Tax	\$0	\$0	\$2,000	0.00%	\$2,000
General Government (includes Hunts Point)	\$7,082	\$206,537	\$406,868	50.76%	\$200,331
Passports, General Licenses & Permits	\$125	\$862	\$5,900	14.61%	\$5,038
Fines, Penalties, Traffic Infr.	\$6,469	\$19,991	\$18,000	111.06%	(\$1,991)
Misc. Invest. Facility Leases	\$31,666	\$225,875	\$262,166	86.16%	\$36,291
Disposition of Capital Assets	\$974	\$974	\$0	—	(\$974)
General Fund Total	\$272,210	\$4,598,026	\$8,357,061	55.02%	\$3,759,035
Development Services Fund Total	\$79,491	\$345,917	\$915,500	37.78%	\$569,582.80
Development Services Fund Transfers In from GF	\$0	\$0	\$0	—	\$0.00
Street Fund Total	\$9,704	\$155,617	\$118,085	131.78%	\$90,446
Street Fund Transfers In	\$45,000	\$270,000	\$540,000	50.00%	\$200,764
Tree Fund Total	\$0	\$0	\$3,075	0.00%	\$3,075
Contingency Fund Total	\$0	\$0	\$0	0.00%	\$0
Capital Fund Total	\$42,109	\$614,914	\$1,535,000	40.06%	\$920,086
Levy Stabilization Fund Total	\$0	\$0	\$0	—	\$0
Levy Fund Transfers In GF	\$23,750	\$142,500	\$285,000	50.00%	\$142,500
NonRevenue Trust Funds Total	\$7,563	\$21,979	\$0	—	(\$21,979)
Master Investments Total	\$0	\$1,500,000	\$0	—	(\$1,500,000)
Total (All Funds)	\$411,077	\$5,736,453	\$10,928,721	52.49%	\$5,192,268
Total (All Funds) Transfers In	\$68,750	\$412,500	\$825,000	50.00%	\$412,500

EXPENDITURES:	JUN ACTUAL	YTD ACTUAL	2025 ANNUAL BUDGET	% of Budget Total	REMAINING BUDGET
General Fund					
Legislative	\$1,592	\$20,388	\$83,000	24.56%	\$62,612
Municipal Court	\$0	\$7,154	\$15,000	47.70%	\$7,846
Executive	\$87,701	\$251,684	\$308,736	81.52%	\$57,052
Finance	\$28,307	\$406,724	\$614,051	66.24%	\$207,327
Legal	\$51,848	\$260,199	\$468,000	55.60%	\$207,801
Central Services	\$77,688	\$593,903	\$1,186,277	50.06%	\$592,374
Police Operations	\$215,934	\$1,422,826	\$2,931,655	48.53%	\$1,508,829
Fire & Medical Aid	\$29,765	\$497,356	\$950,544	52.32%	\$453,188
Public Housing, Environmental & Mental Health	\$1,219	\$25,493	\$55,966	45.55%	\$30,473
Fees					
Recreational Services	\$341	\$514	\$48,500	1.06%	\$47,986
Long Range Planning	\$16,500	\$87,563	\$315,222	27.78%	\$227,659
Parks	\$63,947	\$306,584	\$630,355	48.64%	\$323,771
General Fund Subtotal	\$574,841	\$3,880,389	\$7,607,306	51.01%	\$3,726,917
General Fund Transfers Out	\$60,417	\$362,500	\$725,000	50.00%	\$362,500
General Fund Total	\$635,258	\$4,242,889	\$8,332,306	50.92%	\$4,089,417
Development Services Fund Total	\$113,967	\$582,472	\$1,208,063	48.22%	\$625,591
City Street Fund Total	\$37,528	\$241,563	\$647,696	37.30%	\$406,133
Tree Fund Total	\$0	\$320	\$30,000	1.07%	\$29,680
Capital Fund Total	\$78,846	\$325,113	\$750,000	43.35%	\$424,887
Capital Fund Transfers Out	\$8,333	\$50,000	\$100,000	50.00%	\$50,000
NonRevenue Trust Funds Total	\$78	\$398	\$0	0.00%	(\$398)
Master Investments Total	\$0	\$1,478,518	\$0	0.00%	(\$1,478,518)
Total (All Funds)	\$805,260	\$6,508,773	\$10,243,065	63.54%	\$3,734,292
Total (All Funds) Transfers Out	\$68,750	\$412,500	\$825,000	50.00%	\$412,500

2025 Mid-Year Financial Summary

2025 Revenue Comparison

Fund	2024 Actuals	2025 Actuals	Variance	% Change
General Fund	\$ 4,318,536.00	\$4,598,025.76	\$ 279,489.76	6%
Street Fund	\$ 26,537.00	\$155,617.04	\$ 129,080.04	486%
Tree Fund	\$ 888.00	\$0.00	\$ (888.00)	-100%
Development Services Fund	\$ 491,961.00	\$345,917.20	\$ (146,043.80)	-30%
Capital Fund	\$ 1,074,392.00	\$614,913.88	\$ (459,478.12)	-43%

Why do we see the following variances?

Street Fund

In May of 2025, the city received the 2024 and 2025 allocation for the Department of Ecology grant for National Pollution Discharge. This is a large portion of the annual Street budget, and with 2024's allocation being paid out in 2025, we see a significant difference over 2024.

Development Services

A 26% decrease in Building Permit revenue when compared to the first half of 2024 drives the variance.

Capital Fund

REET revenue has seen a 51% decrease from mid-year 2024. With REET sales being driven by home sales within the community, variances can be common as the price and quantity of sales can fluctuate significantly year by year.

2025 Expenditures Comparison

Fund	2024 Actuals	2025 Actuals	Variance	% Change
General Fund	\$ 3,372,461.00	\$3,880,389.35	\$ 507,928.35	15%
Street Fund	\$ 272,766.00	\$241,563.03	\$ (31,202.97)	-11%
Tree Fund	\$ 6,358.00	\$320.00	\$ (6,038.00)	-95%
Development Services Fund	\$ 558,319.00	\$582,472.00	\$ 24,153.00	4%
Capital Fund	\$ 575,064.00	\$325,113.00	\$ (249,951.00)	-43%

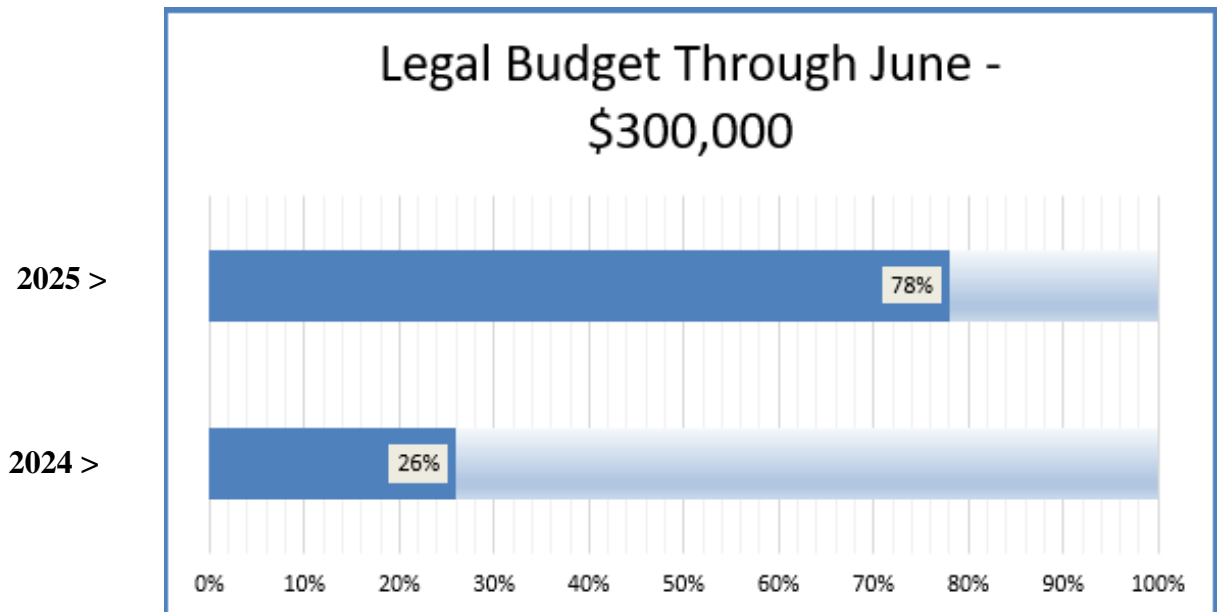
2025 Updates by Department and Fund

Executive

With former City Manager Burn's retirement, the Executive portion of the General Fund does not align with the projected budget. The cash out of vacation and sick time, which was not budgeted, was \$46,000. The hiring of Jeff Swanson as Medina's Interim City Manager overlapped by almost two months, which added roughly another \$40,000 to the budget. Lastly, the recruitment costs through GMP for the hiring of the new City Manager have added another \$25,000 to the budget. Listed in the budget amendment section of this report, this portion of the budget will be brought back to Council in November for discussion to amend to better reflect 2025.

Legal

With high attorney costs over various projects and topics from March – June, Medina is set to exceed the \$300,000 budgeted amount allocated to our City Attorney in 2025. Land Use sees the largest increase from 2024, and staff is working with our City Attorney to isolate project specific costs that could be passed through to the applicant.



Capital

Medina capital projects can be funded in three ways, through Grants, REET or non-restrictive capital funds. Below is a brief overview of each funding source, and a list of current and former projects funded through that revenue source.

- 1) **Grants** – Public Works Director Ryan Osada use the CIP/TIP to apply for state and federal grants. Most common sources of funding available to Medina are from the Transportation Board, and King County Parks.
 - a. Recent projects funded through TIB – Upland Road Overlay
 - b. Recent Projects funded through KC Parks – Goats, Tennis Court Resurfacing
- 2) **REET** – Medina receives a half percent of local home sales to be used for major capital projects. REET is split into REET 1 and REET 2, which have separate restricted uses. This source of funding is used by Medina to fund major projects that are not covered by grants.
 - a. Recent Projects funded by REET – NE 12th ST Sidewalk, 87th AVE NE Stormwater Improvements Project
 - b. If you want to know more about REET and how it can be utilized by the City, please follow the below link.
 - c. <https://mrsc.org/explore-topics/finance/revenues/real-estate-excise-tax>
- 3) **Non-Restricted Capital** – This revenue source comes primarily through investment earnings and can be used for projects that fall outside of the accepted uses for REET.
 - a. Recent Projects funded by Non-Restricted Capital – Street Sweeping, City Hall Carpets, Mini Split for Post Office.

Long Range Planning and Development Services

With a vacancy at the Planning Manager position, consultants will continue to be utilized to make sure service is maintained in both long-term planning and day to day permitting.

